



# DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

MONDAY, AUGUST 22, 1994

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MONDAY, AUGUST 22, 1994

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CONSUMER PRICE INDICES FOR JULY 1994

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THE CONSUMER PRICE INDEX (A) AND THE CONSUMER PRICE INDEX (B) IN JULY THIS YEAR WERE 8.5% AND 8.6% RESPECTIVELY HIGHER THAN IN JULY LAST YEAR, ACCORDING TO FIGURES RELEASED TODAY (MONDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

WHILE THE INCREASES WERE HIGHER THAN THE CORRESPONDING INCREASES OF 7.5% AND 8.1% IN JUNE, THEY WERE IN LINE WITH THE INFLATION FORECAST OF 8.5% FOR THE YEAR AS A WHOLE.

COMMENTING ON THE LATEST FIGURES, A GOVERNMENT SPOKESMAN SAID: "THE FASTER INCREASES IN JULY WERE MAINLY DUE TO SUBSTANTIALLY HIGHER PRICES OF FRESH VEGETABLES AS A RESULT OF THE RECENT FLOODING IN SOUTH CHINA AND THE SEVERAL RAINSTORMS IN JULY."

TAKING THE FIRST SEVEN MONTHS TOGETHER, THE CPI(A) AND CPI(B) ROSE BY 7.6% AND 8.1% RESPECTIVELY OVER THE SAME PERIOD IN 1993. THESE WERE STILL CONSIDERABLY LOWER THAN THE CORRESPONDING AVERAGE ANNUAL INCREASES OF 8.5% AND 8.7% IN 1993.

THE HANG SENG CPI WAS HIGHER BY 9.9% IN JULY 1994 THAN IN THE SAME MONTH LAST YEAR. THE CORRESPONDING INCREASE IN JUNE 1994 WAS 10.1%. THE SLIGHTLY SLOWER INCREASE IN JULY WAS MAINLY DUE TO A MODERATION IN THE PRICES OF CLOTHING AND FOOTWEAR.

HOWEVER, THE INCREASE IN THE HANG SENG CPI IN JULY WAS STILL FASTER THAN IN THE CPI(A) AND CPI(B). THIS WAS MAINLY ATTRIBUTED TO THE FASTER INCREASE IN RENTALS PAID BY HOUSEHOLDS COVERED BY THE HANG SENG CPI.

THE COMPOSITE CPI, WHICH IS COMPILED BASED ON THE COMBINED EXPENDITURE PATTERN OF HOUSEHOLDS COVERED BY THE THREE CPIS, SHOWED AN INCREASE OF 8.9% IN JULY 1994 OVER THE SAME MONTH IN 1993. THIS WAS HIGHER THAN THE CORRESPONDING INCREASE OF 8.4% IN JUNE.

COMPARING JULY 1994 WITH JULY 1993, RELATIVELY SLOWER PRICE INCREASES THAN THE OVERALL AVERAGE WERE RECORDED FOR FUEL AND LIGHT (3.2% IN THE CPI(A) AND 3.1% IN THE CPI(B)); DURABLE GOODS (3.3% AND 3.6%); ALCOHOLIC DRINKS AND TOBACCO (5.3% AND 5.9%); MISCELLANEOUS GOODS (5.5% AND 4.8%); FOOD (EXCLUDING MEALS AT RESTAURANTS) (6.9% AND 6.5%); MEALS AT RESTAURANTS (7.9% AND 7.7%); AND CLOTHING AND FOOTWEAR (8.0% AND 8.2%).

ON THE OTHER HAND, RELATIVELY FASTER PRICE INCREASES THAN THE OVERALL AVERAGE WERE RECORDED FOR MISCELLANEOUS SERVICES (12.5% IN THE CPI(A) AND 11.3% IN THE CPI(B)); HOUSING (11.1% AND 11.4%); AND TRANSPORT (9.5% AND 9.4%).

COMPARING JULY 1994 WITH JUNE 1994, THE CPI(A) AND CPI(B) INCREASED BY 0.8% AND 0.6% RESPECTIVELY. HOWEVER, THIS COMPARISON COULD HAVE BEEN AFFECTED BY SEASONAL FACTORS.

/FOR THE .....

FOR THE 12 MONTHS ENDED JULY 1994, THE CPI(A) AND CPI(B) WERE, ON AVERAGE, HIGHER BY 8.0% AND 8.2% RESPECTIVELY THAN IN THE PRECEDING 12-MONTH PERIOD.

SEASONALLY ADJUSTED SERIES ARE ALSO AVAILABLE FOR THE CPIS. THE DESEASONALISED CPI(A) AND CPI(B) INCREASED AT AN AVERAGE RATE OF 0.9% AND 0.7% RESPECTIVELY PER MONTH DURING THE THREE MONTHS ENDED JULY 1994.

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR JULY 1994, WHICH IS AVAILABLE AT \$16.5 A COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, GROUND FLOOR, CONNAUGHT PLACE, HONG KONG; OR FROM THE PUBLICATIONS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI, HONG KONG.

FOR LOCAL AND OVERSEAS MAILINGS, CONTACT SHOULD BE MADE WITH THE INFORMATION SERVICES DEPARTMENT, FRENCH MISSION BUILDING, 1 BATTERY PATH, HONG KONG.

FOR ENQUIRIES ABOUT THE INDICES, PLEASE TELEPHONE THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 805 6403. DETAILS OF THE HANG SENG CPI ARE CONTAINED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

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/TABLE 1 .....

Table 1 Consumer Price Indices and Rates of Increase for July 1994  
(Oct. 89 - Sep. 90 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for Jul 94	% change over Jul 93	Index for Jul 94	% change over Jul 93	Index for Jul 94	% change over Jul 93	Index for Jul 94	% change over Jul 93
Food	143.1	+7.4	144.4	+7.2	145.3	+8.1	144.0	+7.5
Meals bought away from home	152.4	+7.9	152.0	+7.7	151.5	+9.0	152.1	+8.1
Food, excluding meals bought away from home	134.0	+6.9	133.7	+6.5	134.8	+6.2	134.0	+6.6
Housing	164.7	+11.1	166.9	+11.4	173.6	+15.3	168.3	+12.6
Fuel and light	124.4	+3.2	123.7	+3.1	124.1	+3.4	124.1	+3.2
Alcoholic drinks and tobacco	186.5	+5.3	177.4	+5.9	172.8	+5.7	181.4	+5.6
Clothing and footwear	137.1	+8.0	139.2	+8.2	143.6	+6.3	140.2	+7.5
Durable goods	112.7	+3.3	112.0	+3.6	117.1	+3.0	113.7	+3.3
Miscellaneous goods	130.5	+5.5	127.7	+4.8	125.8	+4.1	128.3	+4.8
Transport	149.4	+9.5	148.2	+9.4	147.2	+8.4	148.3	+9.2
Miscellaneous services	156.3	+12.5	151.7	+11.3	143.0	+9.3	150.5	+11.1
All items	147.3	+8.5	147.9	+8.6	150.5	+9.9	148.3	+8.9

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1989/90-based consumer price indices are based on those patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$2,500-\$9,999 in 1989/90. The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$10,000-\$17,499 in 1989/90. The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90.

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

Table 2 Consumer Price Indices for January 1992 - July 1994  
(Oct. 89 - Sep. 90 = 100)

<u>Year/month</u>		<u>CPI(A)</u>	<u>CPI(B)</u>	<u>Hang Seng CPI</u>	<u>Composite CPI</u>
1992	January	119.7	119.3	119.4	119.5
	February	121.8	121.2	121.0	121.4
	March	122.5	121.9	121.8	122.1
	April	124.0	123.4	122.9	123.5
	May	124.0	123.8	124.2	124.0
	June	125.3	125.1	125.2	125.2
	July	125.5	125.4	125.4	125.4
	August	125.6	125.9	125.8	125.8
	September	128.3	127.9	127.5	128.0
	October	128.4	128.4	128.6	128.5
	November	128.5	129.0	129.9	129.0
	December	129.3	129.8	130.0	129.7
1993	January	131.8	131.6	131.5	131.7
	February	132.4	132.2	132.0	132.2
	March	132.0	132.2	133.1	132.4
	April	133.5	133.9	134.5	133.9
	May	134.5	134.8	136.3	135.1
	June	136.0	135.9	137.1	136.3
	July	135.8	136.1	136.9	136.2
	August	136.3	136.6	137.4	136.7
	September	138.4	138.3	139.2	138.6
	October	140.0	139.6	140.7	140.0
	November	139.4	139.9	142.2	140.3
	December	140.4	140.9	143.3	141.3
1994	January	140.0	140.7	143.4	141.1
	February	142.7	142.9	144.9	143.3
	March	142.5	143.0	145.3	143.4
	April	143.8	144.8	147.9	145.2
	May	145.0	146.1	150.0	146.7
	June	146.2	146.9	151.0	147.7
	July	147.3	147.9	150.5	148.3

/CHART 1 .....

Chart 1 Year-on-year Rates of Increase  
in CPI(A)

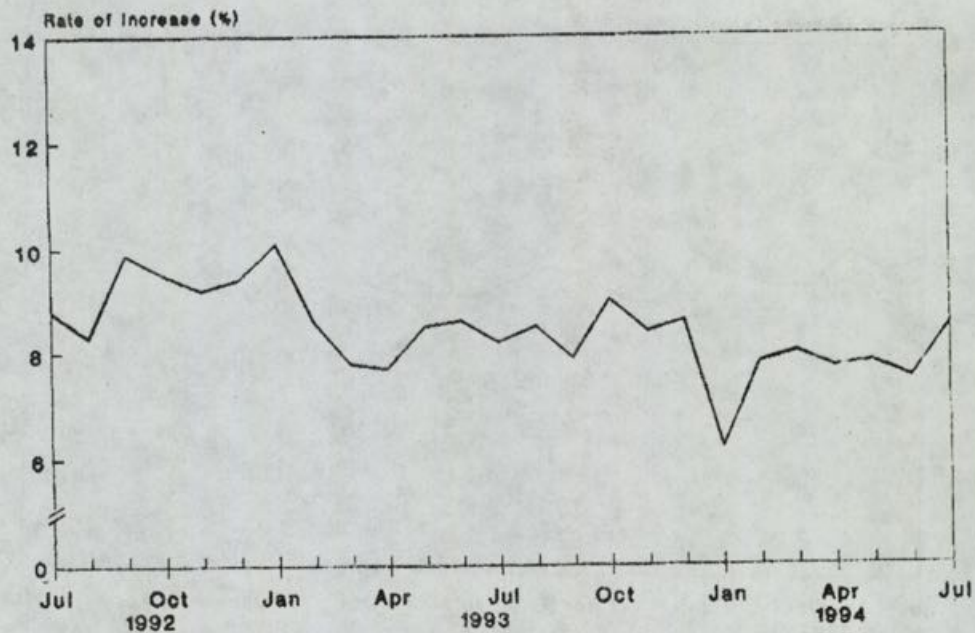
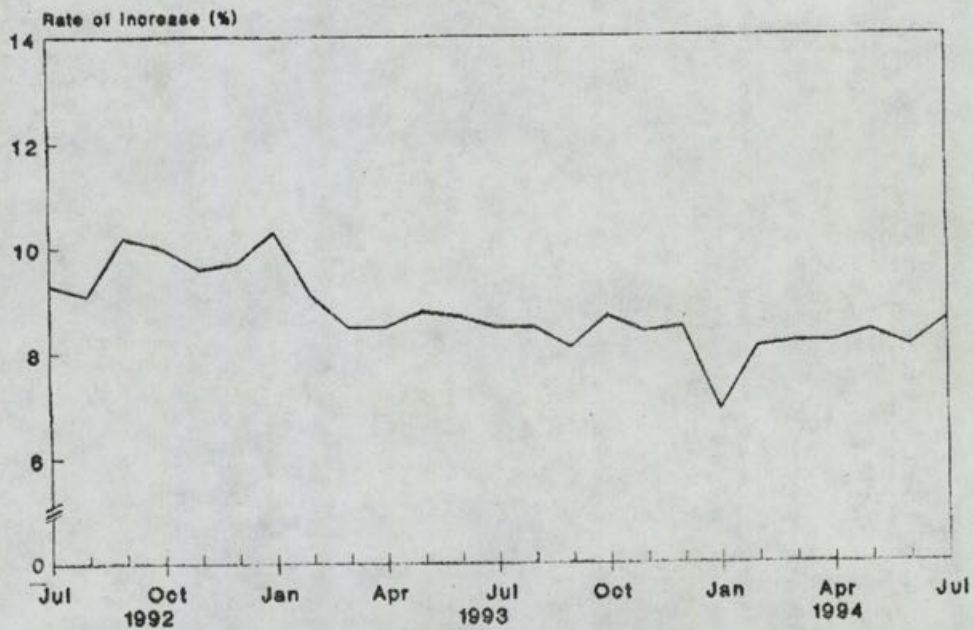


Chart 2 Year-on-year Rates of Increase  
in CPI(B)



/CHART 3 .....

Chart 3 Year-on-year Rates of Increase in Hang Seng CPI

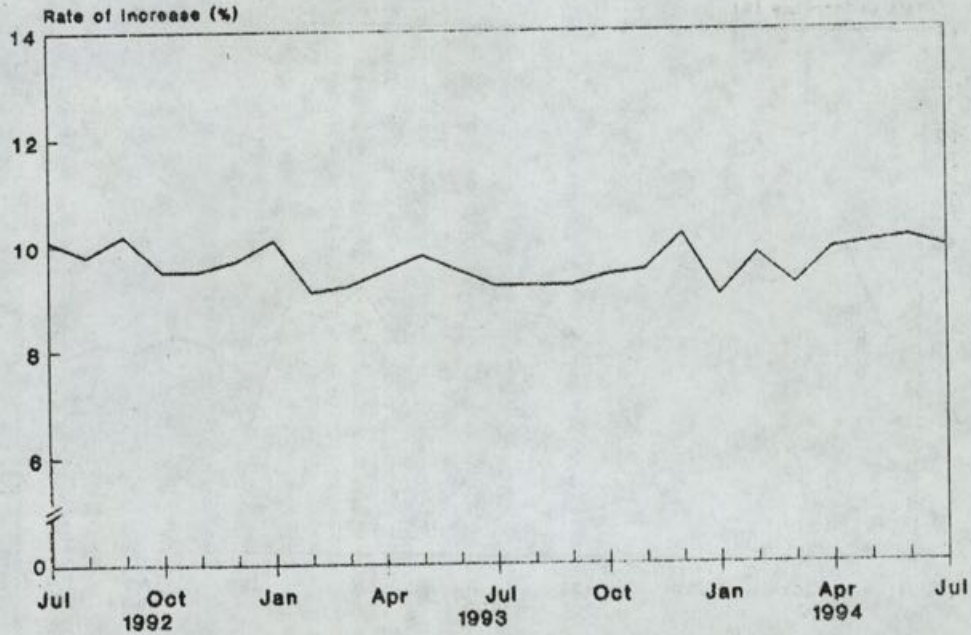
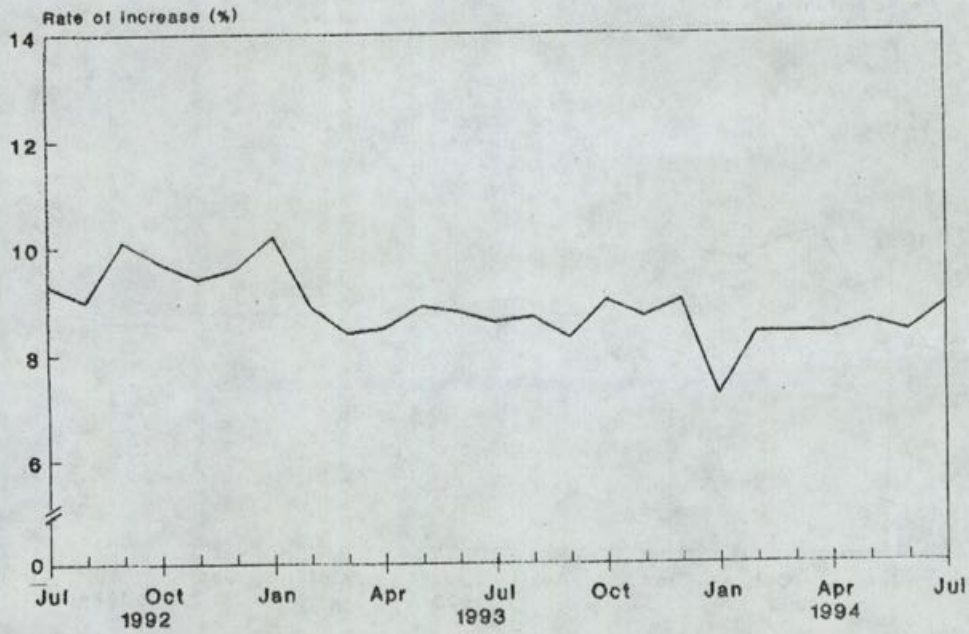


Chart 4 Year-on-year Rates of Increase in Composite CPI



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MOST CANDIDATES TOLD OF NOMINATION VALIDITY

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AS AT TODAY (MONDAY), MORE THAN 750 CANDIDATES HAVE BEEN NOTIFIED BY RETURNING OFFICERS AS TO THE VALIDITY OF THEIR NOMINATIONS FOR THE DISTRICT BOARD ELECTIONS IN SEPTEMBER.

THE NOMINATIONS OF THREE MORE CANDIDATES HAVE BEEN RULED INVALID. SO FAR, THE TOTAL NUMBER OF NOMINATIONS REJECTED WAS EIGHT.

ONE WAS DUE TO CHEQUE FOR PAYMENT OF ELECTION DEPOSIT NOT IN ORDER. HE WAS MR CHAN KWOK-KWONG OF BELCHER CONSTITUENCY IN CENTRAL AND WESTERN DISTRICT.

MR LIU SING-LEE OF WANG TAU HOM CONSTITUENCY IN WONG TAI SIN DISTRICT WAS REJECTED ON GROUNDS OF INSUFFICIENT NUMBER OF VALID SUBSCRIBERS.

MR FUNG CHAN-KI OF LEI MUK CONSTITUENCY IN TSUEN WAN DISTRICT WAS REJECTED ON GROUNDS OF NOT MEETING THE REQUIREMENT OF HAVING ORDINARILY RESIDED IN HONG KONG DURING THE 10 YEARS IMMEDIATELY PRECEDING THE DATE OF NOMINATION, AS PROVIDED FOR IN THE ELECTORAL PROVISIONS ORDINANCE.

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389 ELECTION COMPLAINTS LODGED

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THE REGISTRATION AND ELECTORAL OFFICE HAS RECEIVED A TOTAL OF 389 COMPLAINTS ON ELECTION-RELATED ACTIVITIES AS AT TODAY (MONDAY).

OF ALL THE COMPLAINTS, 300 WERE RELATED TO ELECTION ADVERTISEMENTS, 41 ON ELECTIONEERING IN PRIVATE PREMISES AND 48 ON OTHER MATTERS.

OUT OF THE 389 CASES, ACTION FOR 250 CASES HAD BEEN COMPLETED.

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LEVERAGED FOREIGN EXCHANGE TRADING LAW IN FORCE NEXT MONTH

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THE LEVERAGED FOREIGN EXCHANGE TRADING ORDINANCE, EXCEPT SECTION 71, WILL BE IMPLEMENTED ON SEPTEMBER 1.

ANNOUNCING THIS TODAY (MONDAY), THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, SAID THE ORDINANCE WAS A CRUCIAL STEP IN THE CONTINUING IMPROVEMENT TO HONG KONG'S REGULATORY REGIME.

"IT PROVIDES THE NECESSARY PROTECTION FOR RETAIL INVESTORS WHO TAKE PART IN LEVERAGED FOREIGN EXCHANGE TRADING, AN AREA WHICH HAS BEEN THE SUBJECT OF FREQUENT INVESTOR COMPLAINTS IN THE PAST FEW YEARS," HE SAID.

UNDER THE NEW FRAMEWORK, COMPANIES ENGAGED IN THE BUSINESS OF LEVERAGED FOREIGN EXCHANGE TRADING AND THEIR REPRESENTATIVES HAVE TO OBTAIN A LICENCE FROM THE SECURITIES AND FUTURES COMMISSION.

THE COMMISSION WILL ENSURE THAT APPLICANTS ARE FIT AND PROPER TO BE SO REGISTERED AND THAT THEY FULFIL THE REQUISITE FINANCIAL REQUIREMENTS SUCH AS A MINIMUM PAID-UP CAPITAL OF \$30 MILLION FOR A TRADER LICENCE.

"THE INTENTION IS TO ENSURE THAT ONLY THOSE WITH SOUND FINANCIAL BACKGROUND AND PROVEN INTEGRITY ARE ALLOWED TO CONDUCT A BUSINESS IN THIS FIELD," HE SAID.

THE SECURITIES AND FUTURES COMMISSION ALSO MADE A NUMBER OF RULES IN JULY TO STIPULATE THE DETAILED REQUIREMENTS WITH WHICH LICENCE HOLDERS SHOULD COMPLY.

THEY COVER A RANGE OF SUBJECTS SUCH AS FINANCIAL RESOURCES TO BE MAINTAINED BY TRADERS, PRACTICES TO BE ADOPTED BY TRADERS IN CONDUCTING THEIR BUSINESSES, INCLUDING THE REQUIREMENTS FOR INTERNAL CONTROLS, MINIMUM MARGIN AND CLIENT AGREEMENT.

"SUCH REQUIREMENTS ARE PRIMARILY INTENDED TO PROTECT THE OVERALL INTEGRITY OF THE MARKET. THE FUNDAMENTAL PRINCIPLE IS THAT BOTH THE TRADERS AND THEIR CLIENTS SHOULD HAVE THE ABILITY TO FACE THE RISKS ARISING FROM LEVERAGED FOREIGN EXCHANGE TRADING.

"THE SECURITIES AND FUTURES COMMISSION IS HOLDING A SERIES OF SEMINARS TO BRIEF EXISTING TRADERS ON THE DETAILS OF THE LICENSING AND REGULATORY FRAMEWORK," MR CARTLAND SAID.

AFTER THE IMPLEMENTATION OF THE ORDINANCE ON SEPTEMBER 1, EXISTING BUSINESSES WILL HAVE 30 DAYS TO APPLY FOR A LICENCE.

THOSE WHICH APPLY FOR A LICENCE WITHIN THE GRACE PERIOD WILL BE ALLOWED TO REMAIN IN BUSINESS UNTIL THE OUTCOME OF THEIR APPLICATIONS IS KNOWN.

TRADERS WHO CHOOSE NOT TO DO SO WILL HAVE TO CEASE BUSINESS AFTER THE 30-DAY PERIOD.

"I SHOULD REITERATE THAT INVESTORS SHOULD CONTINUE TO EXERCISE EXTREME CAUTION IF THEY CHOOSE TO TAKE PART IN LEVERAGED FOREIGN EXCHANGE TRADING AT THIS STAGE. THEY ARE NOT YET SUBJECT TO ANY FORM OF STATUTORY PROTECTION AT THE MOMENT," MR CARTLAND SAID.

"IT IS DIFFICULT FOR INVESTORS TO ANTICIPATE WHETHER THE TRADERS WITH WHICH THEY DEAL AT PRESENT WILL APPLY FOR A LICENCE UNDER THE ORDINANCE OR, IF THEY DO SO, WHETHER THEIR APPLICATIONS WILL BE APPROVED BY THE COMMISSION.

"INVESTORS SHOULD ALSO BEAR IN MIND THAT PROVIDING A REGULATED ENVIRONMENT FOR SUCH ACTIVITIES WILL NOT CHANGE THE FACT THAT THE FOREX MARKET IS VOLATILE.

"FURTHERMORE, THE LEVERAGED NATURE OF THE CONTRACTS CAN RESULT IN LOSSES WELL IN EXCESS OF THEIR MARGIN DEPOSITS. INVESTORS SHOULD THEREFORE MAKE SURE THAT THEIR FINANCIAL POSITIONS ARE STRONG ENOUGH TO SUSTAIN THE RISK INVOLVED," MR CARTLAND SAID.

SECTION 71 OF THE ORDINANCE WILL BE BROUGHT INTO EFFECT SEPARATELY. THIS SECTION ALLOWS A CONTRACT ENTERED INTO BY A TRADER WHO DOES NOT HOLD A VALID LICENCE UNDER THE ORDINANCE TO BE VOIDED AND RESCINDED AT THE OPTION OF ANY OTHER PARTY TO THE CONTRACT.

SINCE EXISTING TRADERS CAN REMAIN IN BUSINESS DURING THE GRACE PERIOD WITHOUT A VALID LICENCE, IT IS INAPPROPRIATE TO BRING SECTION 71 INTO EFFECT ON SEPTEMBER 1. A LATER DATE WILL THEREFORE BE APPOINTED FOR THIS PURPOSE.

THE COMMENCEMENT NOTICE FOR THE ORDINANCE WILL BE GAZETTED THIS FRIDAY (AUGUST 26).

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LAB REACHES CONSENSUS TO IMPROVE  
SEVERANCE AND LONG SERVICE PAYMENT

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LABOUR ADVISORY BOARD MEMBERS TODAY (MONDAY) REACHED A CONSENSUS TO IMPROVE THE PROVISIONS ON SEVERANCE PAYMENT AND LONG SERVICE PAYMENT UNDER THE EMPLOYMENT ORDINANCE TO PROVIDE EMPLOYEES WITH BETTER LONG SERVICE BENEFITS.

IN A SPECIAL MEETING CHAIRED BY THE COMMISSIONER FOR LABOUR, MRS KATHERINE FOK, MEMBERS REVIEWED ALL THREE ISSUES IN THE EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1993 WHICH WAS DEFEATED AT ITS THIRD READING AT THE MEETING OF THE LEGISLATIVE COUNCIL ON JULY 6 THIS YEAR.

THE THREE ISSUES ARE:

- \* THE LIMIT OF 12 MONTHS' WAGES ON THE AMOUNT OF SEVERANCE AND LONG SERVICE PAYMENTS PAYABLE SHOULD BE REMOVED;
- \* THE PAYMENT CEILING OF \$180,000 FOR SEVERANCE AND LONG SERVICE PAYMENTS SHOULD BE RETAINED; AND
- \* THE PART OF AN EMPLOYEE'S SERVICE OVER AND ABOVE 18 YEARS ACCRUED BEFORE THE ENACTMENT OF THE AMENDMENT BILL SHOULD BE REDUCED BY 50 PER CENT FOR THE PURPOSE OF CALCULATING SEVERANCE AND LONG SERVICE PAYMENTS.

TO PROVIDE IMPROVEMENT IN THE AMOUNT OF SUCH PAYMENTS, BOARD MEMBERS REACHED A CONSENSUS THAT THE CEILING OF 12 MONTHS' WAGES SHOULD BE REMOVED WHILE THE MAXIMUM LIMIT OF \$180,000 BE RETAINED.

THEY ALSO ACCEPTED THAT THE PART OF AN EMPLOYEE'S SERVICE OVER AND ABOVE 24 YEARS ACCRUED BEFORE THE ENACTMENT OF THE AMENDMENT BILL SHOULD BE REDUCED BY 50 PER CENT FOR THE PURPOSE OF CALCULATING SEVERANCE AND LONG SERVICE PAYMENTS.

DURING THE MEETING, THE DEPUTY SECRETARY FOR EDUCATION AND MANPOWER, MR LAM WOON-KWONG, DISCUSSED WITH MEMBERS ON THE GOVERNMENT'S PROPOSAL FOR AN OLD AGE PENSION SCHEME.

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## COMMISSION DISCUSSES EDUCATION MATTERS

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THE EDUCATION COMMISSION MET TODAY (MONDAY) TO DISCUSS A RANGE OF ISSUES, INCLUDING PRE-PRIMARY EDUCATION, FINDINGS FROM THE COMMISSION'S OVERSEAS STUDY TOUR IN JUNE, AND THE CONSULTATION ON THE REPORT OF THE WORKING GROUP ON LANGUAGE PROFICIENCY.

"ON PRE-PRIMARY EDUCATION, WE NOTED THAT THE BOARD OF EDUCATION HAS DECIDED TO RETAIN ITS WORKING GROUP ON KINDERGARTEN EDUCATION," SAID PROFESSOR ROSIE YOUNG, CHAIRMAN OF THE COMMISSION.

"WE WELCOMED THIS. WE HAD SOME PRELIMINARY DISCUSSIONS ON THE POSSIBLE SCOPE OF A COMMISSION STUDY OF PRE-PRIMARY EDUCATION. WE ASKED FOR DETAILED REPORT ON THE PRESENT SITUATION FOR THE NEXT MEETING. WE AGREED THAT ANY COMMISSION STUDY WOULD NEED TO AVOID DUPLICATING ISSUES WHICH WOULD BETTER BE TACKLED BY THE BOARD," SHE SAID.

MEMBERS ALSO NOTED TWO INFORMATION PAPERS RELATING TO THE COMMISSION'S OVERSEAS STUDY TOUR TO HOLLAND AND BELGIUM IN JUNE.

"MEMBERS SHOWED CONSIDERABLE INTEREST IN THE FINDINGS ON THE LEARNING OF FOREIGN LANGUAGES IN THE NETHERLANDS AND FLANDERS (BELGIUM).

"ALTHOUGH THE LANGUAGE SITUATION IN THESE COUNTRIES IS DIFFERENT FROM HONG KONG, THESE COUNTRIES' EXPERIENCES IN TEACHING FOREIGN LANGUAGES TO CHILDREN WHEN THEY ARE 10 OR ABOVE PROVIDE SOME USEFUL POINTERS FOR US WHEN WE CONSIDER THE REPORT OF THE WORKING GROUP ON LANGUAGE PROFICIENCY LATER IN THE YEAR," SHE SAID.

PROFESSOR YOUNG SAID: "MEMBERS WERE ALSO INFORMED OF THE PROGRESS OF THE CONSULTATION OF THE LANGUAGE PROFICIENCY REPORT. THE REPORT HAS ATTRACTED CONSIDERABLE PUBLIC AND MEDIA ATTENTION ON ITS RECOMMENDATIONS AND THE WIDE RANGE OF LANGUAGE ISSUES FACING HONG KONG. SUCH ACTIVE PUBLIC DISCUSSIONS WILL CERTAINLY HELP US FORMULATE OUR FINAL RECOMMENDATIONS TO THE GOVERNMENT."

"WE ALSO NOTED THAT THE WORKING GROUP WILL ORGANISE A NUMBER OF PUBLIC BRIEFING SESSIONS IN THE SECOND HALF OF SEPTEMBER. THIS WILL ENABLE THE WORKING GROUP TO HAVE A DIRECT DIALOGUE WITH PARENTS AND OTHERS CONCERNED ON THE WORKING GROUP PROPOSALS," SHE ADDED.

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## SECONDARY 6 CENTRAL ALLOCATION RESULTS OUT TOMORROW

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CURRENT YEAR HONG KONG CERTIFICATE OF EDUCATION EXAMINATION (HKCEE) STUDENTS WHO APPLIED FOR SECONDARY 6 CENTRAL ALLOCATION ARE REMINDED TO GO TO THE FIVE REGISTRATION CENTRES TOMORROW (TUESDAY) TO SEE IF THEIR APPLICATIONS ARE SUCCESSFUL AND ACCEPTED BY ONE OF THE SCHOOLS THEY HAVE APPLIED.

A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID THE RESULTS WOULD BE DISPLAYED AT THE SAME CENTRE WHERE STUDENTS HAVE APPLIED FOR CENTRAL ALLOCATION FROM 9 AM TOMORROW.

A TOTAL OF 1,948 STUDENTS WITH THE MINIMUM SECONDARY 6 ENTRY REQUIREMENTS HAVE APPLIED FOR 257 PLACES LEFT OVER UNDER CENTRAL ALLOCATION AFTER THE FIRST FOUR STAGES IN THE ADMISSION PROCEDURE.

THE SPOKESMAN SAID SUCCESSFUL CANDIDATES SHOULD TAKE THEIR ALLOCATION SLIPS TO THEIR CHOSEN SCHOOLS FOR REGISTRATION BEFORE 3.30 PM TOMORROW.

HE REITERATED THAT A PLACE WAS ALLOCATED ON THE BASIS OF THE APPLICANT'S HKCEE RESULTS.

THE SPOKESMAN SAID IF STUDENTS WERE STILL UNABLE TO SECURE A PLACE AFTER THE COMPLETION OF STAGE V, THEY MIGHT BE ABLE TO GET A PLACE AT THE BEGINNING OF THE NEW SCHOOL YEAR BECAUSE SOME SUCCESSFUL STUDENTS MAY DECIDE NOT TO TAKE UP THEIR PLACES BY THAT TIME.

A LIST OF SCHOOLS WITH SECONDARY 6 PLACES WILL BE DISPLAYED AND UPDATED WEEKLY AT ALL DISTRICT EDUCATION OFFICES THROUGHOUT SEPTEMBER.

STUDENTS SHOULD APPLY TO THESE SCHOOLS DIRECT BUT ADMISSION WILL BE AT THE SCHOOLS' DISCRETION.

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TAX RESERVE CERTIFICATES RAISE INTEREST

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THE NEW ANNUAL RATE OF INTEREST PAYABLE ON TAX RESERVE CERTIFICATES WILL GO UP FROM 4.56% TO 5.04% (TAX FREE) FROM WEDNESDAY (AUGUST 24), A SPOKESMAN FOR THE INLAND REVENUE DEPARTMENT SAID.

A LEGAL NOTICE TO THE EFFECT THAT THE FINANCIAL SECRETARY HAS AUTHORISED THE INCREASE WAS GAZETTED TODAY (MONDAY).

INTEREST ON TAX RESERVE CERTIFICATES IS CALCULATED IN MONTHLY STEPS. THE NEW RATE WILL BE \$0.42 PER MONTH PER \$100.

"INTEREST WILL BE CREDITED AS BEFORE IN RESPECT OF COMPLETE MONTHS BETWEEN PURCHASE AND SURRENDER IN PAYMENT OF TAX.

"INTEREST IS ONLY CREDITED WHEN CERTIFICATES ARE USED TO PAY TAX AND NO INTEREST IS DUE WHERE THE PRINCIPAL VALUE OF A CERTIFICATE IS REPAYED BY A CHEQUE," HE SAID.

THE NEW RATE WILL APPLY TO ALL CERTIFICATES ISSUED ON OR AFTER AUGUST 24.

CERTIFICATES WHICH WERE ISSUED BEFORE AUGUST 24 WILL CONTINUE TO EARN INTEREST AS FOLLOWS:

- 7.56% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MAY 29, 1991 AND BEFORE JULY 3, 1991;
- 6.60% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER JULY 3, 1991 AND BEFORE AUGUST 14, 1991;
- 6.00% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER AUGUST 14, 1991 AND BEFORE SEPTEMBER 18, 1991;

- 5.52% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER SEPTEMBER 18, 1991 AND BEFORE NOVEMBER 6, 1991;
- 5.04% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER NOVEMBER 6, 1991 AND BEFORE MAY 6, 1992;
- 4.56% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MAY 6, 1992 AND BEFORE MAY 27, 1992;
- 3.60% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MAY 27, 1992 AND BEFORE JULY 8, 1992;
- 3.00% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER JULY 8, 1992 AND BEFORE MARCH 30, 1994;
- 3.84% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MARCH 30, 1994 AND BEFORE MAY 25, 1994; AND
- 4.56% PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MAY 25, 1994 AND BEFORE AUGUST 24, 1994.

BUT THEY ARE ALWAYS SUBJECT TO THE GENERAL RULE THAT INTEREST CEASES TO ACCRUE AFTER 36 COMPLETE MONTHS. WHERE INTEREST PAID ON CERTIFICATES AT ANY ONE TIME INCLUDES A NUMBER OF CENTS, THE NUMBER OF CENTS IS REGARDED AS ONE DOLLAR. FOR EXAMPLE:

\$1,000 CERTIFICATES PURCHASED ON AUGUST 24, 1994, SEPTEMBER 24, 1994 AND OCTOBER 24, 1994 RESPECTIVELY, SURRENDERED IN PAYMENT OF TAX DUE ON NOVEMBER 23, 1994 WILL HAVE INTEREST CALCULATED AS FOLLOWS:

ON \$1,000, AUGUST 24, 1994 TO NOVEMBER 23, 1994 THREE COMPLETE MONTHS AT \$4.20 PER MONTH	=\$12.60
ON \$1,000, SEPTEMBER 24, 1994 TO NOVEMBER 23, 1994 TWO COMPLETE MONTHS AT \$4.20 PER MONTH	= \$8.40
ON \$1,000, OCTOBER 24, 1994 TO NOVEMBER 23, 1994 ONE COMPLETE MONTH AT \$4.20 PER MONTH	= \$4.20
	----- \$25.20 -----
	ROUND UP TO \$26.00 =====
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SOUVENIR COVER MARKS STAMP EXHIBITION

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THE POST OFFICE WILL ISSUE A SOUVENIR COVER ON AUGUST 31 TO COMMEMORATE ITS PARTICIPATION IN SINGPEX '94 INTERNATIONAL PHILATELIC EXHIBITION TO BE HELD IN SINGAPORE FROM AUGUST 31 TO SEPTEMBER 3.

THE SOUVENIR COVER WILL BE PLACED ON SALE AT ALL POST OFFICES, EXCEPT THE AIRPORT POST OFFICE, FROM AUGUST 24 AT \$1 EACH, THE ACTING POSTMASTER-GENERAL, MISS NANCY LAW, SAID.

ON AUGUST 31 A HAND-BACK SERVICE WILL BE PROVIDED AT ALL POST OFFICES, EXCEPT THE AIRPORT POST OFFICE, TO OFFICIAL AND PRIVATELY-MADE COVERS BEARING AN INDICATION OF THE EVENT.

A SPECIAL POSTMARK AND A CACHET FOR GENERAL CANCELLATION PURPOSES WILL ALSO BE INTRODUCED ON AUGUST 31.

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HONG KONG HOLDS DRAGON BOAT RACES IN NEW YORK

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THE UNITED STATES DRAGON BOAT ASSOCIATION TEAM FROM PHILADELPHIA BEAT 11 OTHER TEAMS TO CAPTURE THE HONG KONG DRAGON BOAT CHAMPIONSHIP ON SUNDAY (NEW YORK TIME) AS THE FOURTH ANNUAL HONG KONG DRAGON BOAT FESTIVAL IN NEW YORK REACHED ITS HIGH POINT.

WITH A WINNING TIME OF THREE MINUTES 24 SECONDS, THE WINNER OUT-PADDLED TEAMS FROM ACROSS THE UNITED STATES IN A 500-METRE RACE ON THE HUDSON RIVER OFF LOWER MANHATTAN.

THE TEAM WILL BE FLOWN TO HONG KONG BY UNITED AIRLINES TO COMPETE IN THE 1995 HONG KONG INTERNATIONAL DRAGON BOAT RACE.

THE SECOND, THIRD AND FOURTH-PLACE WINNERS WERE MID-ATLANTIC PADDLERS ASSOCIATION TEAM FROM VIRGINIA, BEAVER BOAT CLUB TEAM FROM BOSTON AND BIG APPLE TEAM FROM NEW YORK RESPECTIVELY.

THE PHILADELPHIA TEAM ALSO CAME FIRST IN LAST YEAR'S CHAMPIONSHIP RACE IN NEW YORK AND REPRESENTED THE U.S. IN THE JUNE 1994 INTERNATIONAL RACES IN HONG KONG.

A CROWD OF 140,000 VIEWED THE RACE AS THEY ATTENDED THE HONG KONG DRAGON BOAT FESTIVAL WHICH WAS PRESENTED BY THE HONG KONG ECONOMIC AND TRADE OFFICE IN NEW YORK AND HONG KONG ASSOCIATION OF NEW YORK. THE FESTIVAL WAS SPONSORED BY HONGKONGBANK.

"I AM DELIGHTED TO SEE THAT SINCE THE LAUNCHING OF THE FIRST HONG KONG DRAGON BOAT FESTIVAL IN NEW YORK IN 1991, THIS INTERNATIONAL CULTURAL AND SPORTING EVENT HAS REALLY CAUGHT ON IN NEW YORK," THE HONG KONG COMMISSIONER FOR ECONOMIC AND TRADE AFFAIRS IN USA, MR BARRIE WIGGHAM, SAID.

"IT IS ANOTHER REMARKABLE YEAR FOR THE DRAGON BOAT FESTIVAL.

"THIS YEAR WE HAVE HAD A TOTAL OF 42 TEAMS PARTICIPATING IN THE DRAGON BOAT RACES WHICH IS FOUR TIMES THAT OF 1991. MOREOVER, THE SCOPE OF THIS YEAR'S EVENT IS EVEN LARGER THAN LAST YEAR. IT IS OUR HOPE THAT THE FESTIVAL WILL HELP TO BRING BOTH THE UNITED STATES AND HONG KONG COMMUNITIES TO A CLOSER BUSINESS, CULTURAL AND SOCIAL TIES," HE SAID.

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MONDAY, AUGUST 22, 1994

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FRESH WATER CUTS IN TSUEN WAN AND CHEUNG SHA WAN

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FRESH WATER SUPPLY TO SOME PREMISES IN TSUEN WAN AND CHEUNG SHA WAN WILL BE SUSPENDED FROM 11 PM ON WEDNESDAY (AUGUST 24) TO 6 AM THE NEXT DAY TO FACILITATE WATER MAINS LEAKAGE DETECTION.

IN TSUEN WAN, THE SUSPENSION WILL AFFECT ALL THE PREMISES AT SHA TSUI ROAD, SZE PEI SQUARE, CHUEN LUNG STREET, YI PEI SQUARE, HO PUI STREET, YEUNG UK ROAD, CHUNG ON STREET, SAM PEI SQUARE AND HAM TIN STREET.

IN CHEUNG SHA WAN, THE AFFECTED PREMISES ARE LOCATED AT 410-483 CASTLE PEAK ROAD, 1-10 KWONG SHING STREET, KWONG CHEUNG STREET, FUK WA STREET, KIM SHIN LANE, FUK WING STREET, UN CHAU STREET AND CHEUNG WAH STREET.

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WATER STORAGE FIGURE

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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 95.5 PER CENT OF CAPACITY OR 559.519 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 461.035 MILLION CUBIC METRES OF WATER, REPRESENTING 78.7 PER CENT OF CAPACITY.

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HONG KONG MONETARY AUTHORITY  
MONEY MARKET OPERATIONS

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	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
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OPENING BALANCE IN THE ACCOUNT	1,658	0930	+11
CLOSING BALANCE IN THE ACCOUNT	1,808	1000	+11
CHANGE ATTRIBUTABLE TO :		1100	+61
MONEY MARKET ACTIVITY	+61	1200	+61
LAF TODAY	+89	1500	+61
		1600	+61
LAF RATE 3.00 BID/5.00 OFFER	TWI 122.0	*-0.2*	22.8.94

/HONG KONG .....

## HONG KONG MONETARY AUTHORITY

## EF BILLS

## EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.27	18 MONTHS	2602	4.40	98.11	5.83
1 MONTH	4.29	24 MONTHS	2608	6.15	100.11	6.18
3 MONTHS	4.41	30 MONTHS	3701	4.60	95.93	6.54
6 MONTHS	4.71	33 MONTHS	3704	6.15	98.95	6.69
12 MONTHS	5.25	36 MONTHS	3707	6.95	100.56	6.85

TOTAL TURNOVER OF BILLS AND BONDS - 8,297 MN

CLOSED 22 AUGUST 1994